

DP 2013 – State Building Energy Conservation FTE

EXHIBIT 3

DATE 1/2/07

HB 2

The State Buildings Energy Conservation Program plans to finance \$6 million in energy projects in the next biennium, a large increase over current efforts. Opportunities to capture energy savings and reduce operating costs in state buildings are great in the next biennium for two reasons:

- High energy costs provide more cost effective projects
- Long Range Building Program provides an opportunity to complete energy work while a building is undergoing renovation. LRPB budget is about \$300 million in the next biennium.

The State Building Energy Conservation Program has sold the following bonds:

FY 00-01	\$1.25 million
FY 02-03	\$1.25 million
FY 04-05	\$2.5 million
FY 06-07	\$3.75 million

Proposed FY 08-09 \$6 million

Energy Savings from State Buildings Energy Conservation Program

Cumulative through FY06 \$ 9,200,000

Projected through FY09* \$11,886,655

*2006 Report to the Governor. Actual savings will be greater because projects that are currently in design and construction are not included in these numbers.

- Investment of \$80,000 annually in one new FTE results in an additional \$400,000 in savings annually beginning in the 2010-2011 biennium.
- Without new FTE, staff could complete \$3 million in new projects, resulting in estimated savings of \$400,000. (average payback of 7.5 years).
- With one new FTE, DEQ could complete \$6 million in new projects, resulting in estimated savings of \$800,000.
- Workload in program is heavy because of large increases in past two bond sales.

Performance Criteria

DEQ will expand the State Buildings Energy Program to achieve additional energy savings. The savings due to one new FTE will be fully realized by FY11, and partially realized in FY2010 because projects started in FY2009 will not return full savings until FY 2011.

FY 2010	\$250,000
FY 2011	\$400,000

Milestones

- DEQ will hire new FTE by December 30, 2007.
- 8 new projects will be in process by June 30, 2008.
- 20 new projects will be completed or in process by June 30, 2009.